

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Pavala Vaddi (Interest Subsidy) - SHGs lending by Commercial Cooperative and Regional Rural Banks under SHG Bank Linkage Programme – Payment of interest incentive to the SHGs twice in a year – Online transfer of interest incentive directly to the Savings Bank accounts of SHGs by the DRDA/Core Bank at district level – Revised guidelines – Orders – Issued.

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**PANCHAYAT RAJ & RURAL DEVELOPMENT (RD.II) DEPARTMENT**

G.O.Ms.No. 241

Dated: 03.08.2009

Read the following:

1. G.O.Ms.No.271, PR & RD (RD-III) Dept, dated 17.09.2004
2. G.O.Ms.No.152, PR & RD (RD.III) Dept, dated 02.05.2005
3. G.O.Ms.No.136, PR & RD (RD-II) Dept, dated 09.04.2007

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**ORDER:**

Government have reviewed the existing procedure for disbursement of Pavala Vaddi incentive to the Self Help Groups under SHG Bank Linkage Programme. It is found that there are delays in the Pavala Vaddi incentive reaching the members. There is a need to reduce the delays and improve the transparency of the delivery process.

2. Government after careful consideration in the matter hereby order to transfer of Pavala Vaddi incentive amount to the Savings Bank accounts of eligible Self Help Groups directly from DRDA/Core Bank. Following are the modifications to the guidelines already issued in G.O.3<sup>rd</sup> read above, in order to ensure that the Pavala Vaddi incentive reaches the eligible Self Help Groups concerned in time.

- 2.1 Guidelines issued in the G.O.Ms.No.136 PR & RD (RD.II) Department, dated 09.04.2007 from 3.1 to 3.11 will remain same.
- 2.2 DRDA shall issue proceedings in Telugu to the SHGs eligible for Pavala Vaddi indicating the exact amount of Pavala Vaddi incentive to be given to the SHG.
- 2.3 DRDA shall issue cheques to the core banks together with the sanctioned list of SHGs with a request to transfer the amount online directly to Savings Bank account of the concerned SHG at once.
- 2.4 Where core banking facility is not available, DRDA shall issue Demand Draft / Bankers' cheques directly in the name of SHGs.
- 2.5 The Self Help Groups shall give the amount of Pavala Vaddi incentive to the eligible members in their group meeting.
- 2.6 The Self Help Groups shall record the amount of incentive given to the members in the SHGs minutes book and in the individual's Pass Book.

(PTO)

- 2.7 The Pavala Vaddi incentive shall be disbursed to the members of the eligible SHGs in the form of cash and shall not be retained as the corpus fund of the SHGs.
- 2.8 DRDA shall obtain Utilization Certificate from Village Organization as per the procedure.
3. The Project Directors, DRDA shall inform all the Self Help Groups, Village Organizations, Mandal Mahila Samakhya and Zilla Mahila Samakhya about the online transfer of Pavala Vaddi incentive directly to the Savings Bank accounts of SHGs. They shall also ensure that online transfer of Pavala Vaddi incentive from the concerned banks directly to the eligible SHGs in the district.
- 4) In case of Pavala Vaddi due to the SHGs for the 1<sup>st</sup> half-year of 2009-10, the Pavala Vaddi sanction proceedings shall be generated from the SHB Bank Linkage website. No sanction proceedings will be issued off line, for pavala vaddi due to SHGs from 2009-10 onwards.
4. The Chief Executive Officer, SERP, A.P., Hyderabad shall take action accordingly.
5. This GO is available on the Internet and can be accessed at the address <http://www.rd.ap.gov.in> and <http://goir.ap.gov.in/>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K. RAJU**

Principal Secretary to Government (RD)

To

The Chief Executive Officer, SERP, Andhra Pradesh, Hyderabad.  
The Commissioner, Rural Development, Andhra Pradesh, Hyderabad  
All District Collectors and Executive Chairmen, DRDAs in the State  
All Project Directors of DRDAs in the State  
The Convener, State Level Bankers, Committee, Andhra Bank, Hyderabad  
The Principal Secretary to Government, Finance Department, AP Secretariat.  
The Secretary to Government, (W&P), Finance Department, AP Secretariat.  
All Heads of the Banks through the Chief Executive Officer, SERP, Hyderabad

Copy to:

The Principal Secretary to Chief Minister.  
The PS to Chief Secretary to Government.  
The PS to Minister (RD)  
The PS to Principal Secretary (RD)  
SF/SC.

//FORWARDED :: BY ORDER//

SECTION OFFICER